



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the House principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### Current Situation

Chapter 212, F.S., imposes taxes on sales, use and other transactions. Chapter 202, F.S., imposes the communications services tax. Section 212.20(6)(d), F.S., governs the distributions of the sales tax and of the state portion of the communications services tax collected by the Department of Revenue. Over time, there have been numerous changes to the statutory sales tax distribution section, which have led to a complicated distribution formula where the majority of the distributions cannot be calculated until preceding distributions are made. With this methodology in mind, the sales tax distributions are made as follows:

- 0.2% to the Ecosystem and Restoration Management Trust Fund;
- 8.814% to the Local Government Half-cent Sales Tax Clearing Trust Fund;
- 0.095% to certain counties pursuant to s. 218.65, F.S., the Emergency Distributions;
- 2.044% to the County Revenue Sharing Trust Fund;
- 1.3409% to the Municipal Revenue Sharing Trust Fund;
- \$29,915,500 to counties in equal shares of \$446,500 annually;
- \$166,667 distributed monthly (\$2 million annually) to each applicant who qualifies as a “facility for a new or retained professional sports franchise.” Distributions are made to the following franchises:
  - Pro Player Stadium, home of the Florida Marlins;
  - Alltel Stadium, home of the Jacksonville Jaguars;
  - Tropicana Field, home of the Tampa Bay Devil Rays;
  - St. Pete Times Forum, home of the Tampa Bay Lightning;
  - Home Depot Stadium, home of the Florida Panthers;
  - Raymond James Stadium, home of the Tampa Bay Buccaneers; and
  - American Airlines Arena, home of the Miami Heat.
- \$41,667 distributed monthly (\$0.5 million annually) to each applicant who qualifies as a “retained spring training franchise.” Distributions are made to the following franchises:
  - Philadelphia Phillies, Clearwater;
  - L.A. Dodgers, Indian River County;
  - Toronto Blue Jays, Dunedin;
  - Detroit Tigers, Lakeland; and
  - Houston Astros, Osceola County.
- \$166,667 distributed monthly (\$2 million annually) to the Professional Golf Hall of Fame;
- \$83,333 distributed monthly (\$1 million annually) to the International Game Fish Association World Center; and
- The remainder to the General Revenue Fund.

##### Proposed Changes

This bill proposes the following percentage changes to the sales tax distributions, so that the following distributions can be treated independently of one another for calculation purposes:

- 7.797% to the Local Government Half-cent Sales Tax Clearing Trust Fund pursuant to s. 218.61, F.S.;
- 0.007% to the Local Government Half-cent Sales Tax Clearing Trust Fund, and to be distributed to the Public Employees Relations Commission Trust Fund;
- 0.083% to certain counties pursuant to s. 218.65, F.S., the Emergency Distributions;
- 1.777% to the County Revenue Sharing Trust Fund pursuant to s. 218.215, F.S.; and
- 1.165% to the Municipal Revenue Sharing Trust Fund pursuant to s. 218.215, F.S.

C. SECTION DIRECTORY:

Section 1. Amends s. 212.20(6)(d), F.S., to simplify sales tax distributions by changing percentages so they are calculated on total collections to produce distributions that are revenue neutral.

Section 2. Amends s. 202.18(2)(b), F.S., to correct cross references.

Section 3. Amends s. 218.65(5), F.S., to correct cross references.

Section 4. This act shall take effect July 1, 2006.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference has not estimated the fiscal impact of this bill to state government. However, this bill is intended to be revenue neutral.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference has not estimated the fiscal impact of this bill to local governments. However, this bill is intended to be revenue neutral.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

None.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None.